

# American Association of Kidney Patients, Inc.

## Financial Statements

June 30, 2023 and 2022



**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
American Association of Kidney Patients, Inc.  
Tampa, FL

### Opinion

We have audited the accompanying financial statements of American Association of Kidney Patients, Inc. (the Organization) which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, the related statement of functional expenses for the year ended June 30, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Association of Kidney Patients, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Association of Kidney Patients, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Association of Kidney Patients, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

**CONTINUED**

## INDEPENDENT AUDITOR'S REPORT – CONTINUED

### Auditor's Responsibilities for the Audit of the Financial Statements - Continued

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Association of Kidney Patients, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Association of Kidney Patients, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 17, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PDR CPAs + Advisors*

Oldsmar, Florida  
October 17, 2023

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,734,808	\$ 2,204,424
Accounts receivable	199,960	354,066
Inventories	55,327	43,589
Prepaid expenses	31,549	20,838
<b>Total current assets</b>	3,021,644	2,622,917
Furniture and equipment, net	9,332	10,075
Right-of-use assets	83,028	-
Other assets	3,125	3,125
<b>Total Assets</b>	\$ 3,117,129	\$ 2,636,117
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 70,622	\$ 100,936
Accrued expenses	36,487	14,728
Deferred revenue	455,222	597,127
Current portion of lease liabilities	41,878	-
<b>Total current liabilities</b>	604,209	712,791
Lease liabilities, net of current portion	43,436	-
<b>Total liabilities</b>	647,645	712,791
<b>Net Assets</b>		
Without donor restrictions	2,329,097	1,745,924
With donor restrictions	140,387	177,402
<b>Total net assets</b>	2,469,484	1,923,326
<b>Total Liabilities and Net Assets</b>	\$ 3,117,129	\$ 2,636,117

See accompanying notes to financial statements

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2023	2022
<b>Operating Support and Revenue</b>				
<b>Public support</b>				
Contributions	\$ 51,153	\$ -	\$ 51,153	\$ 55,575
Special events, net of \$18,295 of expenses	19,266	-	19,266	29,611
Bequests and memorials	445,730	-	445,730	21,982
Contributed nonfinancial assets	4,355	-	4,355	4,932
Total public support	<u>520,504</u>	<u>-</u>	<u>520,504</u>	<u>112,100</u>
<b>Revenue</b>				
Grants and contracts	736,359	-	736,359	1,174,830
Annual meeting fees	409,455	-	409,455	434,487
Policy Summit fees	148,750	-	148,750	15,000
Global Summit fees	236,075	-	236,075	-
Membership dues	588,980	-	588,980	578,900
Advertising revenue	-	-	-	56,910
Inventory sales	22,901	-	22,901	25,494
Other revenue	19,522	-	19,522	1,033
Net assets released from restrictions	37,015	(37,015)	-	-
Total revenue	<u>2,199,057</u>	<u>(37,015)</u>	<u>2,162,042</u>	<u>2,286,654</u>
<b>Total operating public support and revenue</b>	2,719,561	(37,015)	2,682,546	2,398,754
<b>Operating Expenses</b>				
Program services	1,738,007	-	1,738,007	1,221,372
Supporting services:				
Management and general	354,886	-	354,886	325,923
Fundraising	43,495	-	43,495	34,882
<b>Total operating expenses</b>	<u>2,136,388</u>	<u>-</u>	<u>2,136,388</u>	<u>1,582,177</u>
<b>Change in Net Assets Before Other Changes</b>	583,173	(37,015)	546,158	816,577
<b>Other Changes - Revenue (Expense)</b>				
Forgiveness of debt - PPP	-	-	-	79,116
<b>Total other changes</b>	-	-	-	79,116
<b>Change in net assets</b>	583,173	(37,015)	546,158	895,693
<b>Net Assets at Beginning of Year</b>	<u>1,745,924</u>	<u>177,402</u>	<u>1,923,326</u>	<u>1,027,633</u>
<b>Net Assets at End of Year</b>	<u>\$ 2,329,097</u>	<u>\$ 140,387</u>	<u>\$ 2,469,484</u>	<u>\$ 1,923,326</u>

See accompanying notes to financial statements

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Support and Revenue</b>			
<b>Public support</b>			
Contributions	\$ 55,575	\$ -	\$ 55,575
Special events, net of \$7,352 of expenses	29,611	-	29,611
Bequests and memorials	21,982	-	21,982
Contributed nonfinancial assets	4,932	-	4,932
Total public support	<u>112,100</u>	<u>-</u>	<u>112,100</u>
<b>Revenue</b>			
Grants and contracts	1,144,830	30,000	1,174,830
Annual meeting fees	434,487	-	434,487
Policy Summit fees	15,000	-	15,000
Membership dues	578,900	-	578,900
Advertising revenue	56,910	-	56,910
Inventory sales	25,494	-	25,494
Other revenue	1,033	-	1,033
Net assets released from restrictions	8,200	(8,200)	-
Total revenue	<u>2,264,854</u>	<u>21,800</u>	<u>2,286,654</u>
<b>Total operating public support and revenue</b>	<b>2,376,954</b>	<b>21,800</b>	<b>2,398,754</b>
<b>Operating Expenses</b>			
Program services	1,221,372	-	1,221,372
Supporting services:			
Management and general	325,923	-	325,923
Fundraising	34,882	-	34,882
<b>Total operating expenses</b>	<u>1,582,177</u>	<u>-</u>	<u>1,582,177</u>
<b>Change in Net Assets Before Other Changes</b>	<b>794,777</b>	<b>21,800</b>	<b>816,577</b>
<b>Other Changes - Revenue (Expense)</b>			
Forgiveness of debt - PPP	79,116	-	79,116
<b>Total other changes</b>	<b>79,116</b>	<b>-</b>	<b>79,116</b>
<b>Change in net assets</b>	<b>873,893</b>	<b>21,800</b>	<b>895,693</b>
<b>Net Assets at Beginning of Year</b>	<u>872,031</u>	<u>155,602</u>	<u>1,027,633</u>
<b>Net Assets at End of Year</b>	<u>\$ 1,745,924</u>	<u>\$ 177,402</u>	<u>\$ 1,923,326</u>

See accompanying notes to financial statements

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	Program Services	Supporting Services			Total Expenses	
		Management and General	Fundraising	Total Supporting Services	2023	2022
Salaries	\$ 425,125	\$ 203,427	\$ 14,196	\$ 217,623	\$ 642,748	\$ 534,534
Payroll taxes	27,978	17,818	893	18,711	46,689	40,878
Employee benefits	38,458	18,403	1,284	19,687	58,145	48,235
Total salaries and related expenses	491,561	239,648	16,373	256,021	747,582	623,647
Annual meeting and program expenses	640,960	-	-	-	640,960	340,526
Professional fees	180,148	47,933	-	47,933	228,081	254,399
Printing and publication	103,724	1,881	-	1,881	105,605	87,733
Advertising and marketing	141,377	-	-	-	141,377	104,677
Occupancy	29,243	13,993	976	14,969	44,212	39,555
Postage and shipping	19,019	11,901	1,304	13,205	32,224	33,892
Equipment rental and maintenance	51,700	24,739	1,726	26,465	78,165	32,808
Travel and meetings	70,496	74	-	74	70,570	18,156
Fees, dues, and subscriptions	1,000	2,076	11,869	13,945	14,945	16,084
Other	550	5,468	11,138	16,606	17,156	5,930
Supplies	1,196	2,529	-	2,529	3,725	6,845
Contributed nonfinancial assets	3,764	590	-	590	4,354	4,932
Telephone	877	419	29	448	1,325	3,613
Insurance	-	2,491	-	2,491	2,491	2,446
Total expenses before depreciation	1,735,615	353,742	43,415	397,157	2,132,772	1,575,243
Depreciation	2,392	1,144	80	1,224	3,616	6,934
Total expenses	<u>\$ 1,738,007</u>	<u>\$ 354,886</u>	<u>\$ 43,495</u>	<u>\$ 398,381</u>	<u>\$ 2,136,388</u>	<u>\$ 1,582,177</u>

**See accompanying notes to financial statements**



**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 546,158	\$ 895,693
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	3,616	6,934
Noncash operating lease expense	41,981	-
Gain on forgiveness of debt - PPP	-	(79,116)
<b>(Increase) decrease in operating assets:</b>		
Accounts receivable	154,106	(237,550)
Inventories	(11,738)	(12,874)
Prepaid expenses and other assets	(10,711)	(7,285)
<b>(Decrease) increase in operating liabilities:</b>		
Accounts payable and accrued expenses	(8,555)	74,206
Change in lease liability	(39,695)	-
Deferred revenue	(141,905)	8,866
<b>Net cash provided by operating activities</b>	<b>533,257</b>	<b>648,874</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(2,873)	(11,079)
<b>Net cash used in investing activities</b>	<b>(2,873)</b>	<b>(11,079)</b>
<b>Cash Flows from Financing Activities:</b>		
Principal payments on capital lease obligation	-	(6,676)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(6,676)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>530,384</b>	<b>631,119</b>
<b>Total Cash and Cash Equivalents Beginning of Year</b>	<b>2,204,424</b>	<b>1,573,305</b>
<b>Total Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,734,808</b>	<b>\$ 2,204,424</b>

See accompanying notes to financial statements

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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**NOTE A - NATURE OF ORGANIZATION**

Founded in 1969, American Association of Kidney Patients, Inc. (the Organization) is the oldest and largest, independent kidney patient organization in the U.S. – the Organization is dedicated to improving the lives and long-term outcomes of kidney patients through education, advocacy, patient engagement and the fostering of patient communities. The Organization fights for early disease detection and the appropriate diagnosis of rare/genetic conditions; increased kidney transplantation and pre-emptive transplantation; full patient choice of either in-center or home dialysis; protection of the patient/physician relationship; promotion of research and innovation including artificial implantable and wearable kidneys and xenotransplantation; and the elimination of barriers for patient access to available treatment options. The Organization operates under a National Strategy which includes its Center for Patient Research and Education and Center for Patient Engagement and Advocacy.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- *Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of the net assets without donor restrictions class. Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional.

**Measure of Operations**

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the collectability of accounts receivable, determination of the useful lives of the furniture and equipment and the allocation of functional expenses.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on deposit with financial institutions. The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally insured limits. From time to time throughout the years ended June 30, 2023 and 2022, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts.

**Accounts Receivable**

Accounts receivable, when present, consist of grants and funding contracts due in less than one year. Management believes receivables under grants and funding contracts are fully collectible and has not provided an allowance for doubtful accounts.

**Inventories**

Inventories consist of publications and literature related to kidney disease and its treatment. Inventory is stated at the lower of cost or net realizable value. Cost is determined principally on the first-in, first-out method.

**Furniture and Equipment**

Furniture and equipment are stated at cost, if purchased, or at estimated fair value at the date of receipt, if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets ranging from 3 - 5 years. Major renewals and betterments are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. It is the Organization's policy to capitalize all items which have a unit cost greater than \$1,000.

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Revenue Recognition**

Certain grants received by the Organization are considered conditional contributions since the grant agreements require the Organization to perform services, incur expenses, or meet contract objectives in order to earn the grant funding. Payments received under these grants are deferred until earned. Revenue is earned and recognized in the financial statements when eligible expenses are incurred, services performed or grant objectives met. Deferred revenue from these conditional grants was approximately \$16,000 and \$69,000 at June 30, 2023 and 2022, respectively, and is included in deferred revenue in the accompanying statements of financial position.

Other grants and contributions without conditions are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are reported at present value at the date the promise is received to the extent estimated to be collected by the Organization. Other conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire during the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenues from meetings, conferences, sponsorships and memberships are considered exchange transactions. Revenues from exchange transactions are recognized when control of the goods and services are transferred to the Organization's members or program participants in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services.

The Organization typically satisfies its performance obligations for membership dues over time as the related services are provided during the membership agreement period as a stand ready obligation. Revenues from meetings, conferences and sponsorships are recognized at the conclusion of the individual event.

Payments in general are required to be made in advance prior to the beginning of the membership period or prior to the individual event. Differences between the timing of billing and the recognition of revenue are recognized as either accounts receivable or deferred revenues in the statements of financial position.

Unearned billings and cash receipts from exchange transactions was approximately \$439,000 and \$528,000 at June 30, 2023 and 2022, respectively, and is included in deferred revenue in the accompanying statements of financial position.

**Donated Services**

Donated services are recognized and recorded at fair market value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Adoption of New Accounting Standard**

Effective July 1, 2022, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842) and additional ASUs issued to clarify and update the guidance in ASU 2016-02 (collectively, the "new leases standard"). The new leases standard modifies lease accounting for lessees to increase transparency and comparability by recording lease assets and liabilities for operating leases and disclosing key information about leasing arrangements. The Organization adopted the new leases standard as of July 1, 2022 and for the year ended June 30, 2023.

The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allows it to carry forward any historical lease classification. Upon adoption, the Organization recorded \$125,009 of right-of-use ("ROU") assets and \$125,009 of lease liabilities on its statements of financial position. The adoption of the new leases standard did not have a material impact on the Organization's results of operations or cash flows.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising expense was \$141,377 and \$104,677 for the years ended June 30, 2023 and 2022, respectively.

**Functional Allocation of Expenses**

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the statement of functional expenses and on a functional basis in the statements of activities. Expenses that can be identified with a specific program or supporting activity are charged directly to the program or supporting activity as a direct cost. Certain costs have been allocated based on their estimated usage in each program or supporting activity. The expenses that are allocated include the following:

<b><u>Expense</u></b>	<b><u>Method of Allocation</u></b>
Salaries and related expenses	Time and effort
Occupancy	Time and effort
Equipment rental and maintenance	Time and effort
Telephone	Time and effort
Depreciation	Time and effort

**Income Tax Status**

The Organization is recognized by the Internal Revenue Service as an organization described under Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal taxes on related income.

**Uncertain Tax Positions**

The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization's federal returns are generally open for examination for three years following the date filed.

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Summarized Comparative Financial For 2022**

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**NOTE C - AVAILABILITY AND LIQUIDITY**

At June 30, 2023 and 2022, the Organization's financial assets available to meet general expenditures within one year were as follows:

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and cash equivalents	\$ 2,734,808	\$ 2,204,424
Accounts receivables	<u>199,960</u>	<u>354,066</u>
Total financial assets	<u>\$ 2,934,768</u>	<u>\$ 2,558,490</u>
Less Amounts Not Available to be Used Within One Year:		
Net assets with donor restrictions	<u>140,387</u>	<u>177,402</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,794,381</u>	<u>\$ 2,381,088</u>

The Organization is supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments.

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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**NOTE D - FURNITURE AND EQUIPMENT**

Furniture and equipment consisted of the following at June 30, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Furniture and equipment	\$ 52,983	\$ 62,207
Less accumulated depreciation	(43,651)	(52,132)
	\$ 9,332	\$ 10,075

Depreciation expense for the years ended June 30, 2023 and 2022 was \$3,616 and \$6,934, respectively.

**NOTE E - LEASES**

The Organization leases certain equipment and its office space under non-cancellable operating leases which expire through June 2025. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option. The Organization has determined these extensions are not reasonably certain to be elected and therefore these extensions are not included in the lease calculations. Total rent expense under these leases was approximately \$45,000 for the year ended June 30, 2023.

Future minimum lease payments under noncancelable operating leases (with initial or remaining terms in excess of one year) as of June 30, 2023 are as follows:

<b>Years Ending June 30,</b>	<b>Amount</b>
2024	\$ 43,661
2025	43,996
Total undiscounted cash flows	87,657
Less: present value discount	(2,343)
	\$ 85,314

As of June 30, 2023, the weighted-average remaining lease term for the Organization's operating leases is 1.98 years, and the weighted discount rate associated with operating leases is 2.85%. Cash paid in connection with operating leases was approximately \$43,000 for the year ended June 30, 2023. Rent expense incurred by the Organization for short-term leases was approximately \$345 for the year ended June 30, 2023.

**NOTE F - PAYCHECK PROTECTION PROGRAM**

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In March 2021 and May 2020, the Organization obtained two PPP loans for \$79,116 and \$68,900, respectively. The Organization used all of the proceeds from the loans for qualifying expenses and received full forgiveness of the first and second loan in May 2021 and October 2021, respectively.

**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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**NOTE G - NET ASSETS WITH DONOR RESTRICTIONS**

As of June 30, 2023 and 2022, net assets with donor restrictions related to the following:

	<u>2023</u>	<u>2022</u>
Patient Safety Lectureship Program	\$ 99,471	\$ 118,671
Scholarships	<u>40,916</u>	<u>58,731</u>
	<u>\$ 140,387</u>	<u>\$ 177,402</u>

Net assets released from restrictions were comprised of the following:

	<u>2023</u>	<u>2022</u>
Purpose restriction:		
Patient Safety Lectureship Program	\$ 19,200	\$ 5,700
Scholarships	<u>17,815</u>	<u>2,500</u>
	<u>\$ 37,015</u>	<u>\$ 8,200</u>

**NOTE H - CONTRIBUTED NONFINANCIAL ASSETS**

Contributed nonfinancial assets for the years ended June 30, 2023 and 2022 were \$4,355 and \$4,932, respectively, and consisted primarily of donated professional services. All donated services were used by the Organization's programs and supporting services. There were no donor imposed restrictions associated with the contributions. Donated professional services are valued at the standard hourly rates charged for those services.

**NOTE I - RETIREMENT PLAN**

The Organization sponsors a 401(k)-retirement savings plan (the Plan) which covers all employees who meet the Plan's participation requirements. During the years ended June 30, 2023 and 2022, the Organization did not make any contributions to the Plan. No expenses were incurred for the years ended June 30, 2023 and June 30, 2022.

**NOTE J - SUBSEQUENT EVENTS**

The Organization has evaluated all subsequent events through October 17, 2023, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosures in the financial statements.